

EXHIBIT 21

Message

From: Gerard TOH Ka Weng [KFE-MKT] [/O=KEPPEL GROUP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=GERARD.TOH]
Sent: 15/7/2011 6:39:41 AM
To: TONG Chong Heong [KOM-CEO] [/O=KEPPEL GROUP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Chongheong.tong]; SIT Peng Sang [KOM-ED] [/O=KEPPEL GROUP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Pengsang.sit1]; Aziz Amirali MERCHANT [KFE-ED] [/O=KEPPEL GROUP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Aziz.merchant1]; Jeff CHOW [KOM-LEGAL] [/O=KEPPEL GROUP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Jeff.chow]
CC: Yew Yuen CHOW [KOM-USA] [/O=KEPPEL GROUP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Yewyuen.chow1]; WONG Kok Seng [KFE-MD] [/O=KEPPEL GROUP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=KokSeng.Wong]; Keith TEO [KFE-MKT] [/O=KEPPEL GROUP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Keith.teo]; TAN Leong Peng [KFE-ENGRG] [/O=KEPPEL GROUP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Leongpeng.tan1]; CHIA Shan Ming [KFE-MKT] [/O=KEPPEL GROUP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Shan.Chia]
Subject: RE: Speculation Semi
Attachments: KFELS Proposal_N087-11_Setel Brasil_R1-1.pdf; Appendix A Proposed Price Escalation Formula.pdf; KFELS Proposal_N087-11_Setel Brasil_R1-2.pdf

Dear Sirs,

Further to Zwi's email, attached herewith are our draft proposals to Setel Brasil incorporating the following revisions:

KFELS Proposal N087-11 Setel Brasil R1-1

Price: USD\$ 798 million

Delivery time: 48 months

Specs as DSS 38E DP3.

Bonus: if any 50% shipyard and 50% new SPC

Partners: 20% Keppel, 20% QGOG and 60% Setel Brasil.

Equity: 20%

Finance: 80%

Escalation formula: same as we already offered.

1US\$ equal a 1,56 reais.

KFELS Proposal N087-11 Setel Brasil R1-2

In response to Zwi's request for a separate 'proposal', mentioning the addition of price difference (809.8 and 798) on the 'remaining' units.

For your inputs and approval.

Regards,

Gerard Toh

Marketing Executive

Keppel FELS Limited.

From: WONG Kok Seng [KFE-MD]

Sent: Friday, July 15, 2011 11:43 AM

To: Yew Yuen CHOW [KOM-USA]; CHIA Shan Ming [KFE-MKT]; TAN Leong Peng [KFE-ENGRG]; Keith TEO [KFE-MKT]

Cc: Aziz Amirali MERCHANT [KFE-ED]; Jeff CHOW [KOM-LEGAL]

Subject: RE: Speculation Semi

Keith to stay in loop also

From: Yew Yuen CHOW [KOM-USA]
Sent: Friday, July 15, 2011 11:15 AM
To: CHIA Shan Ming [KFE-MKT]; TAN Leong Peng [KFE-ENGRG]
Cc: WONG Kok Seng [KFE-MD]; Aziz Amirali MERCHANT [KFE-ED]; Jeff CHOW [KOM-LEGAL]
Subject: RE: Speculation Semi

Shan Ming/Leong Peng,
Please include the term "subject to Keppel Board approval".
Regards,
yy

From: Yew Yuen CHOW [KOM-USA]
Sent: Thursday, July 14, 2011 9:56 PM
To: CHIA Shan Ming [KFE-MKT]; TAN Leong Peng [KFE-ENGRG]
Cc: WONG Kok Seng [KFE-MD]; Aziz Amirali MERCHANT [KFE-ED]; Jeff CHOW [KOM-LEGAL]
Subject: FW: Speculation Semi

Shan Ming/Leong Peng,

Please see below message from Zwi.

Waiting for CEO approval. While waiting for approval, could you do a one/two pages draft proposal letter. If approved by CEO, the proposal needs to be send out by this evening to Barusco.

Latest info:

- 1) Jurong lowered price to USD 770m each.....offered to SETE to do 9 drillships instead of 7.....3 for Shahin, 2 for seadrill, and 2 for Odjefels
- 2) Odebrecht lowered price to USD 790m each.....will build 5 drillships for themselves and 2 for Etesco.
- 3) OSX trying to get in. SETE resisting.
- 4) Keppel price USD 809m each.....3 or 5 for QGOG, 2 for Transocean, 2 for Saipem....if 5 for QGOG then Saipem is out and maybe assigned to Jurong.

Regards,
yy

From: Zwi [mailto:zwi@eaglebr.com.br]
Sent: Thursday, July 14, 2011 1:03 PM
To: Yew Yuen CHOW [KOM-USA]
Subject: Speculation Semi

YY,

Barusco need a formal proposal from Keppel about the above unit based on:

Price: USD\$ 798 million
Delivery time: 48 months
Specs as DSS 38E DP3.
Bonus: if any 50% shipyard and 50% new SPC
Partners: 20% Keppel, 20% QGOG and 60% Sete Brasil.
Equity: 20%
Finance: 80%
Escalation formula: same as we already offered.

1US\$ equal a 1,56 reais.

Please, send me by email the proposal.

Please also send another email referring the formal proposal, mentioning once we will be awarded with more Semis, the difference between 809,8 and 798, will be added on the remains units.

Any doubt, please call me.

I need to take the proposal tomorrow 15 of July Friday, morning Brazilian time, because Mr. Barusco must to take to his board for approval and also to get the approval from QGOG.

I ask to receive from him a LOI until August 6th, 2011, then we can take to Singapore meeting.

Barusco ask to keep this deal very secret, not disclose, no press realese even after the LOI.

Rgds
Zwi

This email has been scanned by the MessageLabs Email Security System.
For more information please visit <http://www.messagelabs.com/email>

CONFIDENTIALITY: This e-mail (including any attachments) is confidential and may contain proprietary information. If you are not the intended recipient, be advised that you have received this e-mail in error. Any use, disclosure, dissemination, printing or copying of this e-mail is strictly prohibited. If you have received this e-mail in error, please immediately contact the sender by return e-mail and then irretrievably delete it from your system.

CONFIDENTIALITY: This e-mail (including any attachments) is confidential and may contain proprietary information. If you are not the intended recipient, be advised that you have received this e-mail in error. Any use, disclosure, dissemination, printing or copying of this e-mail is strictly prohibited. If you have received this e-mail in error, please immediately contact the sender by return e-mail and then irretrievably delete it from your system.

CONFIDENTIALITY: This e-mail (including any attachments) is confidential and may contain proprietary information. If you are not the intended recipient, be advised that you have received this e-mail in error. Any use, disclosure, dissemination, printing or copying of this e-mail is strictly prohibited. If you have received this e-mail in error, please immediately contact the sender by return e-mail and then irretrievably delete it from your system.



Keppel FELS Limited
(Co Reg No. 196700147N)
50 Gul Road
Singapore 629351
www.keppelfels.com

Tel: (65) 6863 7200
Fax: (65) 6261 7719

CONFIDENTIAL

15th July 2011

Our Ref: Q/N087/11/SETE/R1-1

Sete Brasil
Rua Nilo Pecanha 50
Suite 409- Rio de Janeiro.

Attn: Mr. Pedro Barusco

Dear Sir,

PROPOSAL FOR NEWBUILD DSS38E-DP3 SEMISUBMERSIBLE RIG

Reference to our recent discussion on latest round of PNBV tenders; we hereby present our proposal for Semi Submersible Drilling Rig based on our DSS38E-DP3 design. Our proposal is as follows:

1. PRICE & DELIVERY

Our firm price to provide design, engineering, procurement of materials and equipment to construct one unit of KFELS DSS38E-DP3 delivery ex-yard Brasil will be **United States Dollars Seven Hundred Ninety-Eight Million (US\$798,000,000/-)** with a delivery schedule of **48 months**.

This amount is pegged at USD\$1.00=R\$1.56 applying the escalations formula set out in Appendix A.

The Price offered does not include any projected price escalations during construction duration. The formulas to cover these escalations, if any, are set forth in Appendix A - Proposed Price Escalation Formula.

2. BASIS OF OFFER

The basis of our proposal is as follows:

- a) KFELS DSS38E DP3 design as specified in our Contract Technical Specification (CTS) Rev E dated 8th July 2011 and General Arrangement Rev E dated 11th July 2011 as provided on 11th July 2011.

Exclusion includes:

- a) Supply, installation and commissioning of any Third party equipment (mud logging unit, wire-line logging unit, well test equipment, mud centrifuge etc).
- b) Drilling loose items (spiders, tubular, drill strings etc).

3. PROPOSED PAYMENT TERM

Our offer is based on mutually acceptable progress payment terms according to the milestones in our construction schedule. Due to the dynamics of shipyards operating in Brazil, we require the cashflow during the construction to be positive, hence we are open to discuss in details with Sete Brasil on the payment terms and payment currencies involved for these newbuild projects.

4. PROPOSED TERMS AND CONDITIONS

This proposal shall be valid for thirty (30) days.

Any associated bonus from PNBV will be split 50% to Keppel FELS.

5. PROPOSED JOINT VENTURE STRUCTURE

The proposed Joint Venture (JV) shall be Keppel FELS Ltd (10-20%), Queiroz Galvão Óleo e Gás S.A (20%) and Sete Brasil (60-70%). The proposed financing model for this project shall be 20% equity and 80% financing to be secured by Sete Brasil.

6. PROPOSAL SUBJECT TO KEPPEL BOARD APPROVAL

This proposal is subjected to Keppel Board Approval.

7. CONFIDENTIALITY AGREEMENT

All information contained in the Proposal is confidential and will be held in strict confidence by the addressee. The information will not be disclosed, in any part thereof to any person, except to those employees, officers, directors and affiliates at all levels of the addressee who are involved in the

Q/N087/11/SETE/R1-1
KFELS DSS 38E-DP3 Semisubmersible Rigs
Page 3 of 3

tender process of the KFELS DSS38E-DP3 Semi Submersible Drilling Rig, on a need to know basis.

We look forward to a favorable response from you as soon as possible.

Yours faithfully,
Keppel FELS Ltd

Chow Yew Yuen
Managing Director
Keppel Offshore and Marine

ATTACHMENTS:

- Appendix A: Proposed Price Escalation Formula

Appendix A - Proposed Price Escalation Formula

Brazilian Content Portion:

The Parties agree, however, that the amount related to the effectively proven Brazilian Local Content, according to Exhibit XVI of this Agreement shall be subject to the following formula:

$$PM = PO \times \frac{PTAXo}{PTAXm} \times Fy$$

Where:

PM : Monthly Adjusted Brazilian Local Content Amount in US dollars (or Euros);

PO : Contractual Payment, related to the effective Brazilian Local Content, in US Dollars (or Euros), determined in the monthly Measurement Report;

PTAXo : The sale foreign exchange rate of the US dollar (or Euro), published by Central Bank of Brazil on the data base system called SISBACEN, site PTAX 800 – Option 5, corresponding to two working days before the Contractor Commercial Proposal issued date;

PTAXm : The sale foreign exchange rate of the US dollar (or Euro), published by Central Bank of Brazil on the data base system called SISBACEN, site PTAX 800 – Option 5, corresponding to the last Business Day of the measurement period;

Fy : Yearly adjustment factor determined by the following parametric formula, calculated every twelve months counted from the Contractor Commercial Proposal issued date, to express the escalation costs related to the Brazilian Local Content:

$$Fy = 0,40 \times \frac{MOn}{MOo} + 0,40 \times \frac{FAn}{FAo} + 0,20 \frac{En}{Eo}$$

Where,

MOn : Definitive value of the Price Index corresponding to “*Custo de construção - Mão-de-obra – Município do Rio de Janeiro – Coluna 10 - FGV (código A0159401)*” representing the cost of man power, referred to the month preceding the one to which the adjustment is due.

MOo : Definitive value of the Price Index corresponding to “*Custo de Construção - Mão-de-obra - Município do Rio de Janeiro - Coluna 10 – FGV (código A0159401)*” representing the cost of man power, referred to the month preceding the one to which the Contractor Commercial Proposal was issued.

FA_n : Definitive value of the Price Index corresponding to "*Indústria de Transformação – Metalurgia Básica - Coluna 30 - FGV (código 1006823)*", representing the cost of raw materials in the price composition, referred to the month preceding the one to which the adjustment is due.

FA_o : Definitive value of the Price Index corresponding to "*Indústria de Transformação – Metalurgia Básica - Coluna 30 - FGV (código 1006823)*", representing the cost of raw materials in the price composition, referred to the month preceding the one to which the Contractor Commercial Proposal was issued.

En : Definitive value of the Price Index corresponding to "*Máquinas e Equipamentos —FGV série IPA-EP - Bens Finais - Bens de Investimento - Máquinas e Equipamentos (código 1004812)*", representing the cost of construction equipment in the price composition, referred to the month preceding the one to which the adjustment is due.

Eo : Definitive value of the Price Index corresponding to "*Máquinas e Equipamentos —FGV série IPA-EP - Bens Finais - Bens de Investimento - Máquinas e Equipamentos (código 1004812)*", representing the cost of construction equipment in the price composition, referred to the month preceding the one to which the Contractor Commercial Proposal was issued.

Foreign Content Portion

$$PM = PO \times Fy$$

Where:

PM: Adjusted Foreign Content Amount in U.S. Dollars.

PO: Portion of Contract Price corresponding to the Foreign Content in US Dollars included in the Measurement Report.

Fy: Yearly adjustment factor determined by the following parametric formula, calculated every twelve months, and counted from the Proposal Submission Date:

$$Fy = 0.95 \times \frac{OFGME}{OFGME_o} + 0.05 \times \frac{ECI}{ECI_o}$$

Where:

OFGME: Definitive value of the Price Index corresponding to "*Oil and Gas Field Machinery and Equipment (code PCU333132333132)*" published by "*United States Bureau of Labor Statistics Data – BLS*", for the month immediately preceding the month to which the adjustment is due (i.e., each twelve (12) month anniversary of the Proposal Submission Date).

OFGME_o: Definitive value of the Price Index corresponding to "*Oil and Gas Field Machinery and Equipment (code PCU333132333132)*" published by "*United States Bureau of Labor Statistics Data – BLS*", for the month immediately preceding the month in which Contractor's Commercial Proposal was submitted.

ECI: Definitive value of the Price Index corresponding to "*Employment Cost Index, Total Compensation, Private Industry*" published by "*United States Bureau of Labor Statistics Data – BLS*", for the month immediately preceding the month to which the adjustment is due (i.e., each twelve (12) month anniversary of the Proposal Submission Date).

ECIo: Definitive value of the Price Index corresponding to "*Employment Cost Index, Total Compensation, Private Industry*" published by "*United States Bureau of Labor Statistics Data – BLS*", for the month immediately preceding the month in which Contractor's Commercial Proposal was submitted.



Keppel FELS Limited
(Co Reg No. 196700147N)
50 Gul Road
Singapore 629351
www.keppelfels.com

Tel: (65) 6863 7200
Fax: (65) 6261 7719

CONFIDENTIAL

15th July 2011

Our Ref: Q/N087/11/SETE/R1-2

Sete Brasil
Rua Nilo Pecanha 50
Suite 409- Rio de Janeiro.

Attn: Mr. Pedro Barusco

Dear Sir,

Reference to our proposal Q/N087/11/SETE/R1-1 dated 15th July 2011, the price difference of **United States Dollars Eleven Million and Eight Hundred Thousand (US\$11,800,000/-)** with our proposal Q/N087/11/SETE/R1 dated 9th July 2011, shall be added on to the remaining rigs as quoted in the proposal Q/N087/11/SETE/R1.

Yours faithfully,
Keppel FELS Ltd

Chow Yew Yuen
Managing Director
Keppel Offshore and Marine